



South Essex Homes Limited

Minutes of Board Meeting

Date: 25 July 2023

Start: 3.00pm End: 5.20pm

Via MS Teams

Minutes

Present Roger Eastwood (RE) – Chair of the Board; Chris Silvey (CS); Keith Ducker (KD), David Joyce (DJ), Sacha Jevans (SJ), Michael Oxley (MO), Brian Beggs (BB), Martin Terry (MT)

In attendance: Mike Gatrell (MG) – Chief Executive, Mario Ambrose (MA) - Executive Director; Kevin Hazlewood (KH) – Director Operations (Property); Sarah Lander (SL) – Director Operations (Housing); Daniel Lyons (DL) – Director Finance and Corporate Services; Beverley Gallacher (BG) – Director Commercial Services; Chris Bellis-Wright (CBW) – Housing Client Relationship Manager SCC, George Sutherland (GS) – Chair SEPS/SEFM Board for agenda item 21 (for confidential meeting only) Carol Cooper (CC) – Board Support Officer

Tenant Observers: Majzoub Ali – Public Meeting Only

	PUBLIC AGENDA	Action
1.	Welcome and Introductions	
1.1	RE welcomed everyone to the meeting.	
2.	Apologies for Absence	
2.1	Apologies for absence were received from Kevin Buck. Carly Volke (CV) and Chris March (CM) did not attend the meeting. Apologies were also received from Glyn Halksworth (GH) and Tim Holland (TH).	

3.	Declarations of Interest	
3.1	There were no declarations of interest.	
4.	Public Minutes & Matters Arising of meeting held 30 March 2023	
4.1	The Minutes were agreed as a true and accurate record.	
4.2	DJ sought clarity as to whether there is going to be a proposal for an asset disposal strategy in relation to EPCs. KH confirmed that there is no plan for this.	
4.3	The Matters Arising were noted.	
5.	Chair's Remarks	
5.1	RE informed the Board that SCC have carried out a review to their Tenancy Strategy.	
5.2	RE noted that if any Board members were interested in attending an estate walkabout, they should contact Carol Cooper or Sarah Lander.	
5.3	SIA accreditation. There are currently some outstanding applications from Board members and RE reiterated the importance of all Board members achieving the accreditation to enable SEPS to conduct business. Without this accreditation SEPS are unable to bid for security work.	
5.4	KD provided an update following his meeting with the Housing Ombudsman and Secretary of State. KH confirmed that the HO believe that SEH have a positive outlook towards residents. The updated complaints policy has been forwarded to them for comment.	
6.	Residents' Voice Your View	
6.1	No Residents' Voice Your Views had been received.	
7.	Governance & Stewardship Report	
7.1	DL provided a brief overview of the report.	
7.2	DJ sought the view of the Board as to whether a total of 9 years served on the Board was still appropriate given other organisations have a maximum of 6 years. RE confirmed that in order to make this change the constitution of the Board and the Articles of Association would need to be amended but noted there was a six-year limit on the term a Chair could serve for.	

<p>7.3</p> <p>7.4</p> <p>i)</p> <p>ii)</p> <p>iii)</p> <p>iv)</p> <p>v)</p> <p>vi)</p> <p>vii)</p> <p>viii)</p>	<p>MT sought clarity regarding SEH involvement in the Queensway project with regards to construction and MG confirmed that SEH are not involved the construction side of the project.</p> <p>Recommendations:</p> <p>The Board approved and agreed the appointment of the Company Secretary.</p> <p>The Board noted the appointment of the Council Board nominees.</p> <p>The Board agreed the Audit & Risk Annual Report and Annual Governance Statements.</p> <p>The Board agreed the Group Commercial Committee’s Terms of Reference.</p> <p>The Board noted the HQN: MIST Accreditation.</p> <p>The Board agreed the Intra-Group Agreement between SEH, SEPS and SEFM.</p> <p>The Board agreed the SEH Board Recruitment Policy.</p> <p>The Board considered Board Member Appointments for the three vacant positions on the Audit & Risk Committee and Personnel & Remuneration Committee. There is one vacancy on the Audit & Risk and two on the Personnel & Remuneration.</p>	
<p>8.</p> <p>8.1</p> <p>8.2</p> <p>8.3</p> <p>8.4</p>	<p>Business Plan 2023-2026 Update</p> <p>DL provided an overview of the business plan.</p> <p>DJ noted that he believed that Business Plan does not provide sufficient linkage to the Board’s risk appetite and felt that there needed to be at least an indirect link. DL noted that this area has been considered but that further discussion with the Board would be required to determine the Board’s risk appetite and noted that the Business Plan had been developed following the Board Away Day where it had been agreed that the Plan should focus on moving the organisation forward in relation to regulatory reform and financial challenges.</p> <p>MO noted that previous Board discussions around risk appetite and been inconclusive and no statement had been completed to provide details of the Board’s risk appetite.</p> <p>The Board requested that arrangements be made for the Board to discuss Risk Appetite in the future.</p>	<p>DL</p>

8.5	MO requested an update on how the Hardship Fund had been utilised including how many tenants had been assisted and how much of the fund had been spent. It was agreed that DL would provide an update at the next meeting.	DL
8.6	DJ sought clarity as to why the Business Plan is for 3 years. DL confirmed that the original Plan was for a 5-year period 2021-2026 and the updated Plan is for the remaining 3 years 2023-2026. This is in line with the Partnership Agreement.	
8.7	DJ requested that the targets for 2022/23 be shown in the Plan in order for the Board to understand how those targets relate to the 2023/24 targets. DL agreed to update the Plan to reflect the previous year targets.	DL
8.8	DL confirmed for MO that the surplus shown in the Plan is prior to the additional expenditure being requested to meet the Plan's objectives.	
8.9	KD sought clarity as to why KP25 (responding to complaints) is set at 99% and not 100%. RE noted that the Board need to set a realistic target and that there may be scenarios outside of the organisation's control that may mean that 100% is not achievable. DL noted that the target should be taken in context with the sector.	
8.10	<p>Recommendations:</p> <p>i) The Board agreed the SEH Business Plan for 2023-2026 and associated Action Plan subject to further discussion regarding Board risk appetite.</p> <p>ii) The Board agreed to release reserves to progress the initiatives contained in the Business Plan.</p>	
9.	Company Assurance Report as at 30 June 2023	
9.1	DL provided an overview of the report.	
9.2	DL confirmed that following approval by Cabinet to reduce the utility charge for tenants updated figures will be brought to the next Board meeting.	
9.3	SJ sought clarity as to whether the £8.8m capital budget is sufficient for needs of the stock to ensure alignment with the anticipated asset management strategy. KH confirmed that in terms of money available for what needs to be undertaken the budget is sufficient. There are several rolling programmes that are adjusted yearly following the stock condition survey. Any additional projects that are required to be undertaken are discussed with SCC at the Strategic Partnership Board with a business case being made where necessary.	

9.4	<p>SJ sought reassurance that there is sufficient time for the procurement of the responsive repairs contract and whether there is a risk associated with this. KH confirmed that the deadline is tight and a formal request for a 3-month extension has been requested of Morgan Sindall which has been agreed in principle with final details being worked through. The 3-month extension will allow for any mobilisation issues to be resolved. Following the pre tender PIN (Prior Information Notice) there had been 22 respondents with most of the large providers (excluding Morgan Sindall) expressing an interest. All works will be given to one contractor with a contract duration of 3 years + 2 + 2. SJ noted that the Board should be kept aware of the high risk related to the contract and requested that the Board be kept up to date throughout the procurement process. KH agreed to provide a report at the next Board meeting.</p>	KH
9.5	<p>MT noted that there is a reputational risk related to being unable to deliver the repairs service and sought clarity as to whether, given the current volatile market and inflationary costs in the building trade, will the budget be sufficient. KH confirmed that the consultant supporting the procurement had estimated an increase of market costs of approximately 20%. This has been flagged with SCC at the Strategic Partnership Board.</p>	
9.6	<p>Recommendations:</p> <p>i) The Board noted the update provided on financial information as at June 2023.</p> <p>ii) The Board noted the Key Performance Indicators position as at June 2023.</p>	
10.	<p>Health & Safety Compliance Report</p> <p>10.1 KH took the paper as read and noted the recommendations.</p> <p>10.2 KH confirmed for DJ that at the time of writing the report there were 29 FRAs non-compliant and it is anticipated that all FRAs will be 100% compliant by mid-August. DJ noted how impressive having 100% compliance is as his organisation has been unable to achieve this. KH noted that the decision to have an in-house Fire Safety Manager is invaluable as they have thorough knowledge of the stock. High risk buildings (high rise blocks, hostels and sheltered schemes) have an assessment completed on a 6 monthly basis.</p> <p>10.3 KH clarified for RE that the legionella testing programme has started slowly but is now progressing well with certificates being obtained. There are currently 9 outstanding, 2 of these require work on the tanks. In addition to legionella testing the blocks are monitored closely with regular flushing undertaken.</p>	

<p>10.4</p> <p>i)</p> <p>ii)</p>	<p>Recommendations:</p> <p>The Board noted the metrics as the Corporate Compliance Position Statement and statements in 4 and 10 of this report.</p> <p>The Board noted the actions being taken to regularise positions where required.</p>	
<p>11.</p> <p>11.1</p> <p>11.2</p> <p>i)</p>	<p>HR Policy Review</p> <p>KH confirmed that on this occasion the policies had not been reviewed by the Personnel & Remuneration Committee. A review of the process of taking policies to Committees is underway with a review of the P&R Terms of Reference. An update will be provided at the next Board meeting.</p> <p>Recommendations:</p> <p>The Board approved the adoption of the Mental Health & Wellbeing, Lone Working, Control of Substances Hazardous to Health Regulations (COSHH) and Menopause and Work policies.</p>	<p>CC</p>
<p>12.</p> <p>12.1</p> <p>12.2</p> <p>12.3</p> <p>i)</p> <p>ii)</p>	<p>Damp, Mould and Condensation Report Update</p> <p>KH confirmed that the DMC Action Plan had been developed with SCC and mirrors 4 themes and outcomes to include recommendations from the Housing Ombudsman’s (HO) spotlight report. Good progress is being made and it was noted that Q3 is where it is expected to see an increase in cases being reported.</p> <p>SJ sought clarity as to whether there are any issues with the cost of carrying out the works or whether it is anticipated that there will be an issue of transfer of tenants that may need to be moved. KH confirmed that the cost is included in the price per property within the contract. There is an additional funding line for these works agreed with SCC. The Strategic Board had agreed that DMC treatment is a core element of the action plan and discussion was progressing to align this work with SCC’s retrofit action plan. With regards to moving tenants KH confirmed that each case will be individually assessed to determine whether alternative accommodation is necessary.</p> <p>Recommendation:</p> <p>The Board noted the contents of the report.</p> <p>The Board noted the commitment to subsequent updates in paragraph 4.5.</p>	

<p>13.</p> <p>13.1</p> <p>13.2</p> <p>13.3</p> <p>i)</p> <p>ii)</p>	<p>Empty Properties Report</p> <p>KH provided an overview of the report.</p> <p>KH confirmed that with the agreement of SCC some of the empty properties currently earmarked for regeneration on Queensway are being brought back into use as temporary accommodation to free up hostel space and provide better quality temporary accommodation until permanent accommodation is available.</p> <p>Recommendation:</p> <p>The Board noted the contents of the report.</p> <p>The Board agreed to receiving follow-on report at a subsequent Board meeting.</p>	
<p>14.</p> <p>14.1</p> <p>14.2</p> <p>14.3</p> <p>14.4</p> <p>14.5</p>	<p>Resident Engagement Strategy Report including Constituted Voluntary Community Association Update.</p> <p>SL took the report as read and noted that the report should be read in the context that the Board had previously been interested in activities undertaken to deliver the Resident Engagement Strategy and the update is in relation to this request.</p> <p>SL confirmed for CS that the details of the model of CIO that would be most appropriate need to be worked through and will be clarified in the constitution and by-laws.</p> <p>CS sought clarity as to the measures that would be put in place regarding personal liability or risk in relation to the members of the Board of the CVCA. SL confirmed that no financial commitment would be entered into so there would be no financial risk related to being on the Board. Indemnity policies would be required to mitigate any risk for trustees as a charity. CS suggested the use of a steering group to look at governance issues whilst the charity is established with the Charity Commission.</p> <p>SL confirmed for MO that the charity would need to be a community driven organisation and it would need to be clear to the Charity Commission that this is not led by a statutory organisation but by independent community representatives.</p> <p>MT sought clarity as to whether there would be any tax benefits relating to the setting up of the charity. DL confirmed that there would be further discussion undertaken once the project progresses.</p>	

<p>14.6</p> <p>i)</p> <p>ii)</p>	<p>Recommendations:</p> <p>The Board noted activities undertaken to meet the commitments SEH has made in our “Residents Charter – our Engagement Strategy 2022-2027”.</p> <p>The Board agreed the proposal to initially form a CVCA (unincorporated) whilst concurrently setting up a Charitable Incorporated Organisation (CIO) that will be registered with the Charity Commission.</p>	
<p>15.</p> <p>15.1</p> <p>15.2</p> <p>15.3</p> <p>15.4</p> <p>15.5</p> <p>15.6</p> <p>15.7</p> <p>i)</p> <p>ii)</p>	<p>Community Safety Strategy Annual Review</p> <p>SL provided an overview of the report.</p> <p>MT noted his disappointment that CCTV had not been included in the Strategy and that he was keen to link SEH CCTV into the SCC CCTV hub as this would improve the link between SCC, SEH and Essex Police.</p> <p>RE confirmed that the current funding can only go so far and any funding related to widening the scope of the SEH CCTV would need to be agreed with SCC.</p> <p>MG confirmed that SEH has no objection to integrating SEH CCTV cameras with the SCC CCTV hub, however currently SEH CCTV cameras are analogue and could not be linked in with the SCC digital version. The funds for changing to digital is not available within current budgets. MG noted that he will raise this with the Strategic Board in relation to funding</p> <p>The Board agreed that there would be a clear benefit to linking up in terms of safety for residents.</p> <p>DJ requested that the naming of the report and the strategy be consistent. SL to amend for clarity in the future.</p> <p>Recommendations:</p> <p>The Board noted the content of the report</p> <p>The Board endorsed the Community Safety Strategy 2022-25.</p>	
<p>16.</p> <p>16.1</p>	<p>Complaints Report Update including updated Complaints and Compensation Policies</p> <p>DL provided an overview of the report.</p>	

<p>16.2</p> <p>16.3</p> <p>16.4</p> <p>16.5</p> <p>16.6</p> <p>i)</p> <p>ii)</p> <p>iii)</p>	<p>MO noted that currently the Complaints Policy is both policy and procedure and asked that the Policy be updated to ensure that the terms used are clear to those reading the Policy. DL agreed to update.</p> <p>DJ suggested that the complaints policy and procedure should be separate documents with the Policy being short. DL confirmed that the Policy had been drafted in line with the HO policy guide and self-assessment which advises that the Policy should be both policy and procedure.</p> <p>MO noted the need to ensure that the revised policy is communicated fully with tenants and DL confirmed that in line with what is expected from the Regulator and HO the policy will be made available on the website and communication via social media.</p> <p>MG noted the increasing number of complaints across the sector, and he understands that the HO is in the process of recruiting 250 new staff to handle the increase in complaints that they are anticipating receiving following the HO campaign promoting complaints to social housing landlords. However, the average wait time for a complaint to be responded to is up to 18 months following confirmation that the HO will investigate, the HO had confirmed to KD that some complainants may wait up to 3 years for a response.</p> <p>Recommendations:</p> <p>The Board noted the position with regards to complaints.</p> <p>The Board agreed in principle the updated Complaints Policy following amendments.</p> <p>The Board agreed the updated Compensation Policy.</p>	<p>DL</p>
<p>17.</p> <p>17.1</p> <p>17.2</p> <p>17.3</p>	<p>Draft Unaudited Accounts 2022/23</p> <p>DL provided an overview of the report.</p> <p>It was noted that following advice for External Audit the pensions reserves is set at zero following a swing in pension evaluation from a £5m liability to £15m asset.</p> <p>DL updated that an Audit had been completed in July and the report is awaited, however there were no concerns or adjustments flagged during the process. The Audited accounts will be presented at the October Board meeting.</p>	

<p>17.4</p> <p>i)</p>	<p>Recommendation:</p> <p>The Board noted the Unaudited Draft Financial Statements for 2022/23</p>	
<p>18.</p> <p>18.1</p> <p>18.2</p>	<p>Draft Minutes from the Audit & Risk Committee Meeting held 29 June 2023</p> <p>DJ noted that the audited accounts were reviewed, and the Treasury Management Strategy was agreed. The Value for Money Strategy had not yet been agreed as further changes are required.</p> <p>The Board noted the Minutes of the A&R Committee meeting</p>	
	<p>Date of next meeting 26 October 2023 at the Civic Centre</p>	